

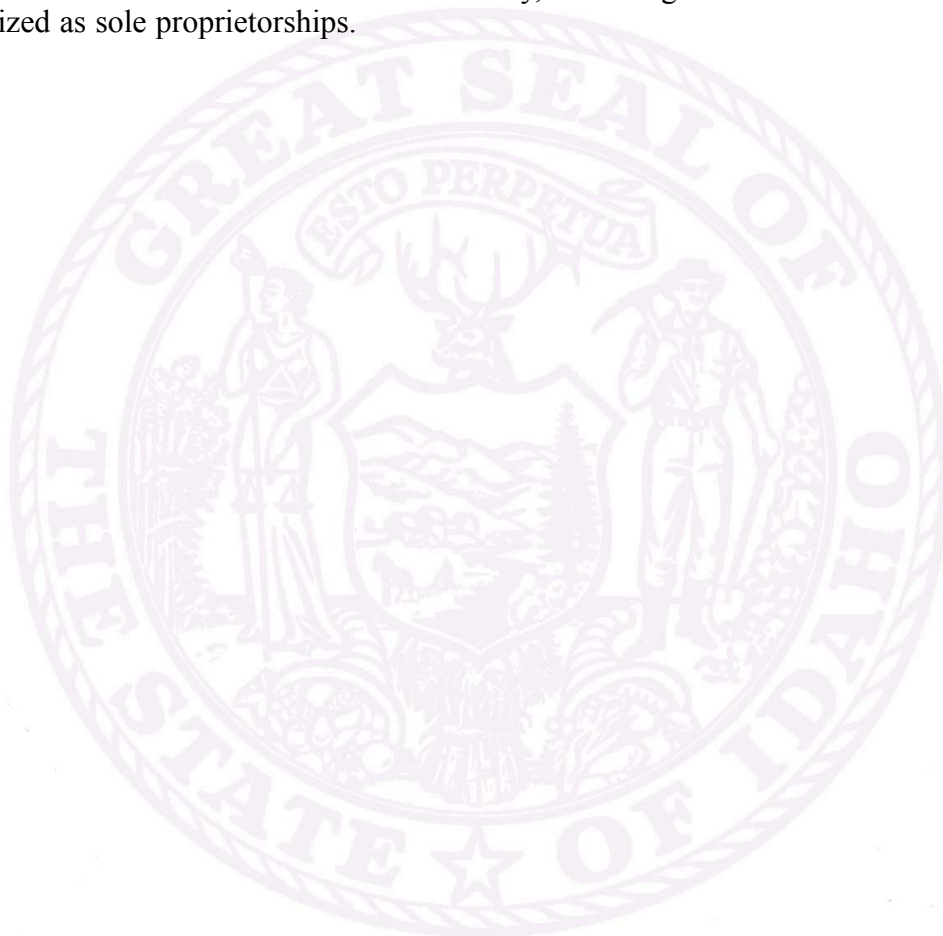
STATEMENT OF PURPOSE

RS22905

The owner of a sole proprietorship and his family members working in his business are exempt from worker's compensation under Idaho Code Section 72-212. This legislation clarifies that a single member limited liability company that is being taxed as a sole proprietorship is also treated as a sole proprietorship for purposes of the worker's compensation exemption.

FISCAL NOTE

The legislation will have no effect on the State General Fund, but could result in up to \$8,000 in lost revenues to the Industrial Commission annually, if all single member LLC's were otherwise not recognized as sole proprietorships.



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